



Incentive Development Unit

---

# MALTA ENTERPRISE ACT

## INCENTIVE GUIDELINES

**Thematic:** SME Development

**Regulation:** Assistance to Small and Medium-Sized Undertakings

**Title of** SME Development Grants

**Incentive:**

- Assistance to participate in fairs and exhibitions
- Assistance of experts

Version: 1.0.3

Issue Date: 20<sup>th</sup> October 2008

Issued by: Incentive Development Unit

[www.maltaenterprise.com](http://www.maltaenterprise.com)

[incentives.maltaenterprise.com](http://incentives.maltaenterprise.com)

---

## **CONTENTS**

1.	Introduction .....	3
2.	Eligibility .....	3
3.	Incentive Description .....	3
4.	Evaluation and Assignment of Aid .....	5
5.	Further Information .....	5
6	State Aid Rules and Obligations .....	6
7.	Contact Details .....	6
Annex 1	Application Process	
Annex 2	Claims	
Annex 3	General Rules and Conditions	

# 1. Introduction

---

## 1.1 Scope

This incentive aims to support Micro, Small and Medium sized enterprises in:

- I. acquiring expert advice on issues that are not of a routine nature;
- II. participating for the first time or to exhibit a new product in a particular international trade event .

## 1.2 Duration of the incentive

This scheme is available till 31<sup>st</sup> December 2013 .

## 1.3 Legal Basis

These Guidelines are issued pursuant to the vires granted to Malta Enterprise under Article 8(3)(a) of the Malta Enterprise Act.

The Legal Notice entitled 'Assistance to Small and Medium-Sized Undertakings Regulations' provides the parameters of the aid awarded under this scheme.

## 1.4 Designated Authority

This incentive is administered by Malta Enterprise.

# 2. Eligibility

---

All Micro, Small and Medium sized Enterprises (SMEs) engaged in one or more of the activities identified below in section 2.1 are eligible to apply for aid under this incentive.

## 2.1 Eligible Activities

Enterprises engaged in the following activities as defined in the Legal Notice on Assistance to Small and Medium-Sized Undertakings will be eligible for this incentive.

- i. Manufacturing;
- ii. Maintenance, Repair and Overhaul (M.R.O.) of: equipment, engines, plant and machinery, pleasure crafts and yachts, heavy equipment, aircraft;
- iii. Rendering of industrial services directly related to (i) and (ii) above;
- iv. ICT development activities, software development, and ICT enabled services but excluding enterprises engaged in gaming and telecommunications;
- v. R&D and Innovation;
- vi. Waste Treatment, Environmental solutions and eco-innovations.

- vii. Biotechnology
- viii. Other start-up enterprises proposing innovative products, services and process development, which are typically more advanced than those prevailing in their respective industry, in terms of technology, know-how and skills, shall be considered for aid under this incentive.

**NB:**

- Interpretation of eligible activities is in line with the criteria set in the Investment Aid Guidelines
- Enterprises controlled or owned by government are not eligible for this incentive.

### **3. Incentive Description**

---

Under this incentive undertakings can benefit from a maximum of € 10,000 in one calendar year

#### **3.1 *Actions and eligible costs under this incentive and the applicable aid intensity.***

##### **A) Expert support**

Part-financing of up to 50% of cost covering the services provided by external experts.

Provided that such services are not acquired by the beneficiary to cover services which are of a continuous nature or are provided periodically and relate to the undertaking's usual operating expenditure, such as routine consultancy services, advertising, regular legal services and business plans.

##### **B) First Time Participation in Fairs**

i) Part-financing of up to 50% of costs directly related to renting, setting up and running a stand in respect to

- a) the first time participation of an enterprise in a particular fair or exhibition.
- b) the first time an enterprise is exhibiting a new product at a particular fair or exhibition.

i

ii) Up to 50% of travel expenses incurred by one person representing the undertaking during a fair or exhibition.

Note:

- a) Malta Enterprise will part finance air, rail and ferry travel (other means of travel including taxi services are not be eligible);
- b) All travel must be economy class or equivalent;

iii) For any travel approved under (ii) above, beneficiaries may also be granted a per diem of up to €100. The per diem may:

- a) only be claimed for the person whose travel has been approved.
- b) not exceed the duration of the event in which the undertaking is exhibiting its products or services or 10days, whichever is the minimum.

## 4. Evaluation and Assignment of Aid

---

Aid under this incentive is subject to pre-approval by Malta Enterprise.

All complete applications that meet the terms and conditions set in these guidelines will be assessed by Malta Enterprise. Applicants will be considered for funding if the requested funding should lead to:

- a) increase in employment or increase in the number of knowledge workers employed;
- b) innovative processes, products or services;
- c) increased investment
- d) improved market positioning or the development of new markets.

### 4.1 Notification of results

Successful applicants will be notified in writing of the outcome of their application. Once a project is approved, a Letter of Approval will be issued in line with Part VI of the Malta Enterprise Act.

## 5. Further Information

---

For the full **definition of SME**, refer to Annex I of Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General Block Exemption Regulation).

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

## 6 State Aid Rules and Obligations

---

### 6.1 *Applicable State Aid*

These guidelines are pursuant to the 'SME Block Exemption' as defined in EU Regulation 70/2001 (OJ L124, 20/05/2003) on Aid for Small and Medium-sized Enterprises (SMEs). For a full text of the 'SME Block Exemption', see the Official Journal of the European Union dated 30<sup>th</sup> December 2006 (C 323/01).

[[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l\\_124/l\\_12420030520en00360041.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l_124/l_12420030520en00360041.pdf)]

### 6.2 *Cumulation*

Aid granted under this incentive may only be cumulated with other aid under any other incentive(s), or with other Community funding, in relation to the same item of expenditure as long as such cumulation does not exceed the gross aid intensity fixed by this Guideline.

## 7. Contact Details

---

Further information on the scheme, as well as information and guidance on the filling in of the application forms may be obtained by contacting Malta Enterprise during office hours.

Postal Address:

Malta Enterprise  
Enterprise Centre  
Industrial Estate  
San Gwann  
SGN 3000  
Malta

Tel: +356 2542 0000

Fax: +356 2542 3401

Websites: [www.maltaenterprise.com](http://www.maltaenterprise.com)  
[incentives.maltaenterprise.com](http://incentives.maltaenterprise.com)

Email: [customer.relations@maltaenterprise.com](mailto:customer.relations@maltaenterprise.com)

## Annex 1 – Application Process

---

1. Enterprises should download the relevant 'Instructions to Applicants' and/or Application forms from the Malta Enterprise website: [incentives.maltaenterprise.com](http://incentives.maltaenterprise.com).
2. Scheme administered through competitive calls
  - a. Incentives managed through a competitive call are based on a fixed budget and timeframe. Requests for assistance through these incentives will be evaluated and ranked. Once ranked, the top ranking applicants will be offered support through these incentives.
  - b. When an incentive is managed through a competitive call, Malta Enterprise will publish the call text in the local press. The call will be closed after circa 6 weeks from the first date of publication of the call text. Enterprises will be required to submit the relevant application form(s) and any other required documentation within this period. The call will also provide details on:
    - i. how to obtain application forms;
    - ii. how questions and queries related to the call can be addressed;
    - iii. any support available to sustain enterprises in compiling the required data.
  - c. Application forms for competitive calls must be deposited in the tender box bearing the name of the incentive.

### 3. Other Schemes

The complete application as describe in the 'Instructions to Applicants' document must be submitted to Malta Enterprise either by hand in a sealed envelope or through registered post. The application should be addressed to:

Relationship Management  
Malta Enterprise  
Enterprise Centre,  
Industrial Estate,  
San Gwann SGN 3000

4. It is recommended that potential applicants contact Malta Enterprise prior to submitting their application. Malta enterprise staff will support prospective applicants:
  - to understand the objectives of the incentive;
  - by explaining details relevant to this guideline document;
  - to address any problems they might encounter when completing their application.

## Annex 2 – Claims

---

1. Any claims for co-funding must be based on the reimbursement of eligible costs.
2. All undertaking shall be expected to submit claims in line with the terms of the Incentive Entitlement Certificate.
3. Once the incentive is approved, claims for reimbursement shall be submitted at intervals as stipulated in the Incentive Entitlement Certificate.
4. All claims must be made on the claim form which will be made available by Malta Enterprise
5. A claim made for reimbursement must be accompanied by the following information:
  - a. An original VAT invoice and a receipt (an original fiscal receipt unless a VAT invoice is presented together with a copy of the invoice);
  - b. Proof of payment of the invoice. (In the case of foreign payments the original proof of payment is required);
  - c. Copies of the encashed cheques or original bank advice documents showing all payments effected in relation to the claimed costs.
  - d. Where applicable written justification covering claims related to services / products where supplier / provider is different to that indicated in the application form;
  - e. Supporting documentation such as studies (where applicable);
  - f. In the case of Personnel costs (where applicable) the enterprises must back these claims through the official Final Settlement System FSS forms and time sheets where applicable.
6. Any reports (technical or otherwise) submitted to substantiate the claim should be cleared for confidentiality with any third parties before submission to Malta Enterprise.
7. Claims should be presented as net of VAT since VAT is not eligible for co-financing.
8. Payments will only be issued after invoices, reports and any other requested documentation is submitted to and approved by Malta Enterprise.
9. If the final eligible expenditure accounted for is less than the eligible costs budgeted for, the amount to be co-financed will be reduced pro rata and will be in line with the approved percentage(s) of co-financing.
10. In the event that the project does not reach the targets set in the Incentive Entitlement Certificate relevant to the aid granted, Malta Enterprise may recall any funds already distributed to the beneficiary.

## **Annex 3 – General Rules and Conditions**

---

### **1) Amendments to Approved Assistance**

Any amendments to an approved project must be timely notified to Malta Enterprise. A written request describing the proposed changes and including comprehensive arguments justifying the changes must be presented. Malta Enterprise will evaluate the proposed amendments and will within 6 weeks inform the applicant in writing of the outcome pursuant to the evaluation. The outcome of such evaluation may lead to any of the following:

- i. A change in the amount of aid and/or activities supported.
- ii. A request for further information on the proposed changes.
- iii. A recommendation to reconsider the proposed amendments.
- iv. An approval of the proposed changes.
- v. A revocation or modification of the Incentive Entitlement Certificate if the proposed amendments are not in line with the scope, terms and conditions of the scheme.

Failure to notify Malta Enterprise of any changes to the project as approved may result in Malta Enterprise revoking the Incentive Entitlement Certificate and claiming back any support received by the beneficiary.

### **2) Monitoring**

Successful applicants will be subject to monitoring to ensure that the project is moving according to:

- i. the milestone schedule (if applicable);
- ii. the Incentive Entitlement Certificate;
- iii. this Guideline and the Regulation relevant to the incentive;
- iv. any applicable state aid obligations and regulations;
- v. any publicity obligations.

Monitoring visits will also ensure that all documentation is kept at the enterprise end.

### **3) On-Site Visits**

Malta Enterprise and other relative authorities may undertake a number of random on site checks to verify documentation submitted and the implementation. Site visit may entail assessing:

- i. any required publicity obligations;
- ii. originals / copies of the relevant administrative and financial documentation, are in line with the requirements set in the Incentive Entitlement Certificate and any relevant regulation cited in or annexed to the Incentive Entitlement Certificate.

### **4) Sanctions and recovery of aid**

In terms of Part VII and Part VIII of the Malta Enterprise Act, Chapter 463 for the Laws of Malta, Malta Enterprise may revoke, amend or modify the Incentive Entitlement Certificate and apply penalties or request recovery of aid in the case of breach of these Guidelines or the conditions set down in the Incentive Entitlement Certificate and any relevant regulations.

## **5) General Ineligible expenditure**

Any item of expenditure not aligned to the rationale of this measure will be deemed as ineligible. The following is an inexhaustive list of such ineligible costs:

- i. cost incurred for the purchase of second hand equipment;
- ii. costs incurred prior to signature date of Incentive Entitlement Certificate;
- iii. overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant or above market prices;
- iv. contingencies and/or losses made by the applicant;
- v. the payment of dividends, royalty and interest charges;
- vi. service charges arising on finance leases, hire purchase and credit arrangements;
- vii. cost resulting from the deferral of payments to creditors;
- viii. costs involved in winding up a company;
- ix. cost related to litigation including any resulting claims for damages or fines;
  - x. insurance and indemnity costs;
  - xi. bad debts;
  - xii. payments for gifts and donations;
  - xiii. entertainment (including catering, receptions etc.);
  - xiv. tax (VAT, Income tax);
  - xv. statutory fines and penalties.